

This version of the Invitation to the Annual General Meeting of LPKF Laser & Electronics Aktiengesellschaft is a translation of the German original, prepared for the convenience of English-speaking readers. For purposes of interpretation the German text shall be exclusively authoritative and final.



Invitation to the Annual General Meeting

on 2 June 2016

LPKF Laser & Electronics Aktiengesellschaft, Garbsen, Germany

ISIN DE 0006450000

Dear Shareholders,

Our Annual General Meeting for this year, which you are hereby invited to, takes place on Thursday, 2 June 2016, at 10:00 am, in Hanover Congress Centrum, Theodor-Heuss-Platz 1-3, 30175 Hanover, Germany.

I. Agenda

- 1. Presentation of the adopted annual financial statement as of 31 December 2015, the Management report, the approved consolidated financial statement as of 31 December 2015, the Group Management report and the Supervisory Board's report for the 2015 financial year, as well as the explanatory report of the Management Board on the disclosures under § 289 Para. 4 and § 315 Para. 4 German Commercial Code (HGB).**

The documents provided for Item 1 of the agenda can be viewed as of the time the Annual General Meeting is convened on the Company's website at www.lpkf.com/investor-relations/annual-general-meeting/invitation-agenda.htm. The same applies to the Management Board's proposal regarding the appropriation of the net retained profit. The documents will also be available at the Annual General Meeting and will be explained orally.

The Supervisory Board has approved the annual financial report and the consolidated financial statement under §§ 171, 172 German Stock Corporations Act (AktG). The annual financial report is thus adopted. In accordance with the statutory provisions, no resolution of the Annual General Meeting on Item 1 of the Agenda is therefore envisaged.

- 2. Resolution on the appropriation of net retained profits for the 2015 financial year.**

The Management and Supervisory Board propose to carry forward the net retained profits of LPKF Laser & Electronics Aktiengesellschaft recorded for financial year 2015 of € 4,333,645.77 in full to a new account.

- 3. Resolution regarding the ratification of the acts of the Management Board for the 2015 financial year.**

The Management Board and Supervisory Board propose that the acts of the members of the Management Board be ratified for the 2015 financial year.

- 4. Resolution regarding the ratification of the acts of the Supervisory Board for the 2015 financial year.**

The Management Board and Supervisory Board propose that the acts of the members of the Supervisory Board be ratified for the 2015 financial year.

5. Election of the auditors of the annual financial statements and the consolidated financial statements for the 2016 financial year.

The Supervisory Board proposes that PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Hanover, be elected auditors of the annual financial statements and the consolidated financial statements for the 2016 financial year.

6. Resolution regarding amendments to the Articles of Association in § 11 to increase the number of members of the Supervisory Board and in § 17 to vote in the Supervisory Board

The Company's Supervisory Board comprises at the moment, in accordance with §§ 95 Sentence 1, and 96 Para. 1 last alternative, 101 Para. 1 AktG, exclusively members to be elected by the Annual General Meeting, and in accordance with § 11 Para. 1 of the Articles of Association, consists of three members. According to § 95 Sentence 2 AktG, the Articles of Association may set a certain higher number of members of the Supervisory Board, which since the legal amendment in § 95 Sentence 3 AktG came into effect with the amendment of the stock corporation law of 2016 (*Aktienrechtsnovelle 2016*) on 31 December 2015, must be divisible by three only when this is required to fulfil co-determination requirements. As the Company is not subject to co-determination, the number of members of the Supervisory Board shall be increased to four. The creation of a further position on the Supervisory Board would place it in a better position in terms of its composition and proposals for election of Supervisory Board members for the Annual General Meeting to reflect the broadest possible spectrum of expertise and experience from different relevant fields for the Company, and to take into consideration the target proportion set by the Supervisory Board of 25% female participation in the Supervisory Board. In addition, a rule for the dissolution of any tie in voting shall be introduced in the Supervisory Board.

The Management and Supervisory Board propose the following:

a) § 11 Para. 1 of the Articles of Association shall be amended to read as follows:

“(1) The Supervisory Board consists of four members.”

Otherwise, § 11 of the Articles of Association remains unaffected.

b) § 17 of the Articles of Association, Paras. 2 and 4, shall be amended to read as follows:

“(2) The Supervisory Board is quorate in accordance with the statutory provisions (§ 108 Paras. 2 and 3 AktG). A member of the Supervisory Board also takes part in decision-making when abstaining from voting.

(4) Resolutions of the Supervisory Board are passed by a simple majority of votes cast, provided the law or Articles of Association does not specify otherwise. Abstaining from voting does not count as a vote cast. In case of a tie, the vote of the Chairman, in the event that he is incapacitated, of his deputy shall be decisive.”

Otherwise § 17 of the Articles of Association remains unaffected.

7. Election of a further new Supervisory Board member

The Company's Supervisory Board comprises at the moment, in accordance with §§ 95 Sentence 1, and 96 Para. 1 last alternative, 101 Para. 1 AktG, exclusively members to be elected by the Annual General Meeting, and in accordance with § 11 Para. 1 of the Articles of Association, consists of three members, whose terms in office run until the end of the Annual General Meeting that will resolve on the ratification for the financial year 2018. Upon the coming into effect of the amendment of § 11 Para. 1 of the Articles of Association proposed for the decision-making of the Annual General Meeting under agenda item 6 a), the Company's Supervisory Board will comprise, in accordance with §§ 95 Sentence 2, and 96 Para. 1 last alternative, 101 Para. 1 AktG, exclusively members to be elected by the Annual General Meeting, and in accordance with § 11 Para. 1 of the Articles of Association, will consist of four members. For the newly created position on the Supervisory Board, a new election shall be held.

The Supervisory Board proposes that, for a term in office beginning with the coming into effect of the amendment of § 11 Para. 1 of the Articles of Association proposed under agenda item 6 a) for the decision-making of the Annual General Meeting, and ending with the end of the Annual General Meeting that will resolve on the ratification for the financial year 2018,

Ms Tina Voß, residing in Isernhagen, Managing Director and shareholder in Tina Voß GmbH, Hanover

be elected to the Supervisory Board.

In making its election proposal to the Annual General Meeting, the Supervisory Board has taken into consideration the goals established for its composition.

Disclosures under § 125 Para. 1 Sentence 5 AktG:

Below, under a) in each case, it is disclosed in what companies Ms Tina Voß is a member of a Supervisory Board to be formed by law and under b), in which enterprises she is a member of a comparable domestic or foreign supervisory committee:

a) none

b) none

Disclosures under Clause 5.4.1 Paras. 5 to 7 of the German Corporate Governance Code:

Based on the assessment of the Supervisory Board, between the candidate proposed for election and the enterprise, the Management bodies of the Company, and a shareholder who is a substantial participant in the Company, no personal or business relationship exists whose disclosure is recommended by Clause 5.4.1 Paras. 5 to 7 of the German Corporate Governance Code.

Further information on the candidate for the election to the Supervisory Board of the Company (curriculum vitae) can be found on the Company's website at www.lpkf.com/investor-relations/annual-general-meeting/invitation-agenda.htm.

8. Resolution regarding amendments to the Articles of Association in § 20 to change the compensation of the members of the Supervisory Board and a new determination of the compensation of the Supervisory Board

The compensation of the Supervisory Board shall be changed from the present compensation with fixed and variable components to a fixed compensation only. In addition and also taking into account the increase of the number of members of the Supervisory Board proposed under agenda item 6 above the fixed basic compensation for each member of the Supervisory Board, which has been set at an amount of € 40,000.00 p.a. by the Annual Shareholders' Meeting on 1 June 2011, shall be decreased to € 32.000,00 p.a.

8.1. Amendments to the Articles of Association in § 20

The Management and Supervisory Board propose the following:

a) § 20 Para. 1 of the Articles of Association shall be amended to read as follows:

"(1) For each full financial year of his/her membership on the Supervisory Board, each individual member of the Supervisory Board receives a fixed basic compensation determined by the adoption of a resolution by the Annual General Meeting and payable after the end of the financial year. The Chairman of the Supervisory Board receives twice the fixed basic compensation and the Deputy Chairman receives one and a half times the fixed basic compensation."

Otherwise § 20 of the Articles of Association remains unaffected.

b) The compensation regulation above shall become effective for the first time for the financial year that started on 1 January 2016.

8.2. New determination of the compensation of the Supervisory Board

The Management and Supervisory Board propose the following:

a) The fixed basic compensation for each individual member of the Supervisory Board pursuant to § 20 Para. 1 Sentence 1 of the Articles of Association is determined in the amount of € 32,000.00 with effect from the financial year starting on 1 January 2017.

b) § 20 Para. 1 Sentence 2 of the Articles of Association applies, i.e. the Chairman of the Supervisory Board receives twice the amount of the fixed basic compensation and the Deputy Chairman receives one and a half times the amount of the fixed basic compensation.

9. Resolution on the consent to conclude a profit transfer agreement between the company and LPKF WeldingQuipment GmbH with a registered office in Fürth, Germany

LPKF Laser & Electronics Aktiengesellschaft directly holds all shares in LPKF WeldingQuipment GmbH with its registered office in Fürth, registered in the commercial register of Fürth District Court under HRB 14026. In order to optimise the tax situation of the Group, LPKF Laser & Electronics Aktiengesellschaft, being the controlling company, concluded a profit transfer agreement with LPKF WeldingQuipment GmbH as subsidiary company on 8 March 2016.

As LPKF Laser & Electronics Aktiengesellschaft is the sole shareholder in LPKF WeldingQuipment GmbH, then LPKF Laser & Electronics Aktiengesellschaft is not required to make any compensation or indemnity payments for outstanding shareholders in LPKF WeldingQuipment GmbH under §§ 304, 305 AktG. For the same reasons, an audit of the profit transfer agreement by a contract auditor is dispensable.

In order for it to be effective, the profit transfer agreement requires the consent of the Annual General Meeting of LPKF Laser & Electronics Aktiengesellschaft, the consent of the shareholders meeting of LPKF WeldingQuipment GmbH, and entry in the commercial register of LPKF WeldingQuipment GmbH. The shareholders meeting of LPKF WeldingQuipment GmbH has already consented to the profit transfer agreement.

The Management Board and Supervisory Board propose the following:

The profit transfer agreement concluded on 8 March 2016 between LPKF Laser & Electronics Aktiengesellschaft as controlling company and LPKF WeldingQuipment GmbH as subsidiary company with its registered office in Fürth is hereby approved.

The profit transfer agreement has the following substantive content:

- LPKF WeldingQuipment GmbH (“WQ GmbH”) undertakes to pay during the term of the profit transfer agreement its total profit, i.e. the maximum transferable amount of profit under the provisions of § 301 AktG in its totality and its currently applicable version to LPKF Laser & Electronics Aktiengesellschaft (“LPKF AG”) (§ 1 Para. 1 of the profit transfer agreement).
- WQ GmbH can, with the consent of LPKF AG, allocate amounts from the annual net profit to other retained earnings (§ 272 Para. 3 HGB), provided this is admissible under commercial law and economically justified by a reasonable commercial assessment. During the term of the profit transfer agreement, other retained earnings formed according to § 272 Para. 3 HGB are to be dissolved at the request of LPKF AG and, provided it is legally permissible in the context of §§ 301, 302 AktG in its currently applicable version, to be used to balance an annual shortfall or be transferred as profit. Amounts of other retained earnings formed previously to the contract in the meaning of § 272 Para. 3 HGB or from reserves other than those named in the previous sentence – specifically from capital reserves – may not be transferred nor used to balance an annual shortfall (§ 1 Para. 2 of profit transfer agreement).
- The LPKF AG is obligated to WQ GmbH to absorb the losses during the term of the profit transfer agreement in accordance with the provisions of § 302 AktG in its totality and currently applicable version (§ 2 of the profit transfer agreement).
- WQ GmbH must set up the annual financial statement to determine the profit or the loss according to the principles of standard accounting, in observance of commercial and tax law provisions and any guidelines from LPKF AG, and to present it before adoption to LPKF AG for familiarisation and coordination. This applies also to the annual financial statement to be done upon expiration of the profit transfer agreement, as well as for an interim statement. The annual financial statement of WQ GmbH is to be prepared and adopted before the annual financial statement of LPKF AG (§ 3 Para. 1 and 2 of the profit transfer agreement).

- The entitlement to allocation of profit under § 1 Para. 1 of the profit transfer agreement arises and is due upon expiration of the financial year of WQ GmbH. The claim for loss absorption under § 2 of the profit transfer agreement likewise arises and is due upon expiration of the financial year of WQ GmbH (§ 3 Para. 4 of the profit transfer agreement).
- The profit transfer agreement requires the approval of the shareholders meeting of WQ GmbH for its effectiveness as well as the approval of the Annual General Meeting of LPKF AG and entry in the commercial register of WQ GmbH (§ 5 Para. 1 of the profit transfer agreement).
- The profit transfer agreement shall apply retroactively for the time from the beginning of the ongoing financial year of WQ GmbH upon its entry in the commercial register (§ 5 Para. 2 of the profit transfer agreement).
- The profit transfer agreement is concluded for the duration of at least five years, calculated from the beginning of the financial year of WQ GmbH, in which it is first valid under § 5 Para. 2 of the profit transfer agreement. As long as the end of this minimum term of the agreement does not fall at the end of the financial year of WQ GmbH, the minimum term of the agreement shall be extended until the end of this financial year. As long as the profit transfer agreement is not terminated by a party to the agreement, observing a notice period of six months to the end of the minimum term of the agreement, the profit transfer agreement shall be extended indefinitely, and may be terminated by either party thereto, observing a notice period of six months to the end of each financial year of WQ GmbH (§ 5 Para. 3 of the profit transfer agreement).
- The right of termination of the profit transfer agreement for an important reason without observing a notice period for termination remains unaffected. An important reason exists specifically if a contracting party is anticipated not to be in the condition to meet its existing obligations under the profit transfer agreement (§ 297 Para. 1 Sentence 2 AktG), if all or any of the shares in WQ GmbH in the amount of a total nominal value are sold or transferred with the consequence that the preconditions for financial integration of WQ GmbH into LPKF AG no longer exist according to the applicable tax law provisions, or otherwise but without limitation in the case of the merger, division or liquidation of one of the two contractual parties, or a transfer of participation in WQ GmbH by LPKF AG, it makes no difference if these take place at the end of the financial year or in the course of the financial year of WQ GmbH. Furthermore, an important reason is constituted by the important reasons named in Section 60 Para. 6 KStR 2004 [Körperschaftsteuer-Richtlinien: Corporate Income Tax Rules] or a corresponding provision, which is applicable at the time of termination of this agreement (§ 5 Para. 4 of the profit transfer agreement).
- In the event of termination for an important reason, LPKF AG shall merely be entitled to the proportionate share of the profits of WQ GmbH, or obligated to balance the proportionate losses of WQ GmbH, which have arisen under commercial law before the time of termination for an important reason. In order to be valid, termination must be effected in writing. When the agreement ends, LPKF AG must provide security to the creditors of WQ GmbH according to § 303 AktG (§ 5 Para. 5 to 7 of the profit transfer agreement).

The following documents will be made accessible before the Annual General Meeting is convened on the website of the Company at www.lpkf.com/investor-relations/annual-general-meeting/invitation-agenda.htm:

- Profit transfer agreement between LPKF Laser & Electronics Aktiengesellschaft and LPKF WeldingQuipment GmbH dated 8 March 2016;
- Annual financial statements and Management reports of LPKF Laser & Electronics Aktiengesellschaft, as well as consolidated financial statements and reports on the situation of the Group of LPKF Laser & Electronics Aktiengesellschaft, for the financial years 2013, 2014 and 2015;
- Annual financial statements of LPKF WeldingQuipment GmbH (previously: LPKF Grundstücksverwaltungs GmbH) for financial years 2013 (rump financial year), 2014 and 2015;

- Joint written report of the Management Board of LPKF Laser & Electronics Aktiengesellschaft and the executives of LPKF WeldingEquipment GmbH dated 8 March 2016 according to § 293a AktG on the profit transfer agreement dated 8 March 2016.

The above-named documents will also be available during the Annual General Meeting of LPKF Laser & Electronics Aktiengesellschaft.

II. Further details regarding the convening of the meeting

Conditions for participating in the Annual General Meeting and exercising the right to vote

Only shareholders who have registered for the Annual General Meeting and have submitted satisfactory evidence of their shareholdings shall have the right to participate in the Annual General Meeting and exercise their right to vote. The evidence of shareholdings must be provided by means of a confirmation in text form prepared by the depository bank in German or English. Such evidence of the shareholding must refer to the beginning of the twenty-first day before the General Meeting, which in this case is

Thursday, 12 May 2016, 00:00 a.m.

(the "Record Date").

Both the registration and the evidence of shareholdings must be received by the Company no later than six days prior to the Annual General Meeting (not including the day of the Annual General Meeting or the day on which the evidence is received), i.e. by no later than the end of

Thursday, 26 May 2016, 12:00 p.m.

at the address specified below:

LPKF Laser & Electronics Aktiengesellschaft
c/o DZ BANK AG
represented by dwpbank
– DSHAV –
Landsberger Str. 187
80687 Munich, Germany
Telefax: +49 69 5099-1110
E-Mail: hv-eintrittskarten@dwpbank.de

The significance of the Record Date

The Record Date is the date that governs both the scope and the exercise of a shareholder's right to participate in and vote at the Annual General Meeting. In relation to the Company, a person shall only be considered a shareholder for the purposes of participating in and exercising the voting right at the Annual General Meeting if they have verified their shareholdings. The right to participate in the Annual General Meeting and the scope of the right to vote shall be governed solely by the shareholder's shareholding as of the Record Date. The Record Date does not imply any limitation on the sale of shareholdings. Even if shareholdings are partially or completely sold after the Record Date, the ownership of shares on the Record Date shall be the only relevant factor enabling participation and the scope of the right to vote; in other words, the sale of shares or any other form of transfer of the shares after the Record Date has no influence on the right to participate in the Annual General Meeting and the scope of the right to vote. The same applies to the acquisition of shares after the Record Date. Persons who do not own any shares on the Record Date and who only become shareholders after this date, are not authorized to participate and vote in the Annual General Meeting unless they are authorized by way of a proxy to participate and vote on behalf of someone else or to exercise such person's rights. The Record Date has no influence on dividend entitlement.

Total number of shares and voting rights at the time the Annual General Meeting was summoned

The Company's share capital at the time the Annual General Meeting was summoned amounted to € 22,269,588.00 and was divided into 22,269,588 no-par value bearer shares which all have the same voting and dividend rights and each grant one vote. The total number of shares and voting rights at the time the Annual General Meeting was summoned was therefore 22,269,588.

Procedure for voting by proxy

Shareholders who do not wish to attend the Annual General Meeting themselves may exercise their right to vote at the Annual General Meeting by appointing a proxy, e.g. a bank, a shareholders' association, or any other person of their choice. Timely registration for the Annual General Meeting and timely submission of evidence of shareholdings in accordance with the foregoing provisions are required in these cases, as well.

Granting and revoking proxies and presenting the Company with evidence of appointing a proxy shall be made in text form pursuant to § 23 Para. 2 of the Articles of Association, although the proxy may also be revoked by showing up in person at the Annual General Meeting. Different rules may apply to appointing credit institutions, shareholders' associations or similar persons and institutions as proxies pursuant to § 135 Para. 8 and 10 in conjunction with § 125 Para. 5 AktG, as well as for the revocation and the confirmation of such proxies; the shareholders are requested in such cases to agree at a timely date in regard to the form and procedure for appointing the proxy with the person or institution to be appointed.

The proxy authorization may be issued to the proxy or the Company. When a proxy authorization is issued to the proxy, this verification may be confirmed by being presented to the admission checkpoint on the day of the Annual General Meeting. Proxy authorizations may be submitted by the proxy to the Company by mail, fax or by an electronic channel (by e-mail) to the following address:

LPKF Laser & Electronics Aktiengesellschaft
Osteriede 7
30827 Garbsen, Germany
Telefax: +49 5131 7095-90
E-Mail: investorrelations@lpkf.com

The aforementioned communication channels may also be used if the proxy authorization is to be submitted directly to the Company; no other evidence of the proxy authorization is required in this case. The revocation of a previously issued proxy may also be submitted directly to the Company by using the aforementioned communication channels.

We ask our shareholders, to make things easier from an organisational standpoint, to submit proxies, evidence of proxies, and the revocation of proxies, insofar as they are submitted by mail or by fax, in a timely manner by no later than 1 June 2016, 6:00 p.m. (time of receipt by the Company).

A form which can be used for appointing a proxy is contained on the back of the admission ticket which is sent to shareholders who have registered in due time. This form is also available for download at www.lpkf.com/investor-relations/annual-general-meeting/invitation-agenda.htm. If a shareholder appoints more than one person to serve as their proxy, the Company may reject one or more of these appointments.

Procedure for voting by proxies nominated by the Company

The Company offers its shareholders the option of authorizing Company-nominated proxies before the Annual General Meeting. Shareholders who wish to authorize proxies nominated by the Company must register to attend the Annual General Meeting in due time and provide evidence of their shareholdings in accordance with the aforementioned provisions. The proxies nominated by the Company exercise the voting rights transferred to them according to the shareholder's instructions. The proxies nominated by the Company are not authorized to vote without receiving prior instructions from the shareholders. A form for issuing authorizations and voting instructions to the proxies nominated by the Company is attached to every admission ticket. The same form is available for download at www.lpkf.com/investor-relations/annual-general-meeting/invitation-agenda.htm. Proxies and instructions issued to proxies nominated by the Company must also be submitted to the Company in text form.

To facilitate smooth organization of the proxy procedure, shareholders who wish to appoint proxies nominated by the Company prior to the Annual General Meeting are requested to submit the proxies and the instructions to the following address no later than by 1 June 2016, 6:00 p.m. (time of receipt by the Company) either by mail, fax or e-mail:

LPKF Laser & Electronics Aktiengesellschaft
Osteriede 7
30827 Garbsen, Germany
Telefax: +49 5131 7095-90
E-Mail: investorrelations@lpkf.com

More detailed information on transferring voting rights to proxies will be sent to shareholders along with the admission ticket. Relevant information is also available on the internet at www.lpkf.com/investor-relations/annual-general-meeting/invitation-agenda.htm.

In addition, shareholders who have registered to participate in the Annual General Meeting in due time and have submitted evidence of their shareholdings in accordance with the aforementioned provisions, and who attend the Annual General Meeting in person, are also allowed to appoint proxies nominated by the Company at the Annual General Meeting to exercise the shareholder's voting rights.

Shareholders' rights

Proposals to add items to the Agenda pursuant to § 122 Para. 2 German Stock Corporation Act (AktG)

Shareholders whose total shareholdings are equivalent to 1/20th of the Company's share capital or the pro rata amount of € 500,000.00 may request to have items placed on the Agenda and published in accordance with § 122 Para. 2 AktG. Every request for a new Agenda item must be accompanied by an explanation of the reasons therefore or a proposed resolution. The request must be sent in writing to the Management Board and must be received by the Company at least thirty days prior to the date of the Annual General Meeting (excluding the day of the Annual General Meeting and the day the communication is received), in other words, no later than at the end of

Monday, 2 May 2016, 12:00 p.m.

Please send such requests to the following address:

LPKF Laser & Electronics Aktiengesellschaft
Management Board
Osteriede 7
30827 Garbsen, Germany

Counterproposals and proposals for candidates submitted by shareholders pursuant to § 126 Para. 1 and § 127 German Stock Corporation Act (AktG)

Shareholders may submit to the Company counterproposals to proposals of the Management Board and/or the Supervisory Board concerning specific items on the Agenda. They may also submit proposals for the election of Supervisory Board members or auditors if such elections are part of the Agenda. Counterproposals and proposed candidates pursuant to § 126 Para. 1 and § 127 AktG must always be sent to the following address prior to the Annual General Meeting:

LPKF Laser & Electronics Aktiengesellschaft
Osteriede 7
30827 Garbsen, Germany
Telefax: +49 5131 7095-90
E-Mail: investorrelations@lpkf.com

The Company satisfies § 126 Para. 1 AktG by publishing counterproposals including the name of the shareholder, the reason(s) for the counterproposal and any comment by the management on the Company's website at

www.lpkf.com/investor-relations/annual-general-meeting/index.htm, if it receives the counterproposals, including the reason(s) at least fourteen days prior to the date of the Annual General Meeting (excluding the day of the Annual General Meeting and the day the submission is received), in other words, no later than at the end of

Wednesday, 18 May 2016, 12:00 p.m.

at the aforementioned address. Applications not sent to this address will be ignored. The Company may refuse to publish a counterproposal if the conditions specified in § 126 Para. 2 AktG apply, for instance, if the counterproposals could lead the Annual General Meeting to propose a resolution which violates the law or the articles of association. It is not mandatory to publish the reasons provided for a counterproposal if they exceed 5,000 characters. Pursuant to § 127 AktG, the aforementioned applies analogously to proposals submitted by shareholders for the election of Supervisory Board members or auditors. Election proposals submitted by shareholders do not, however, require a reason, and in addition to those cases specified in § 126 Para. 2 AktG, publication may also be refused when the proposal does not include the name, profession and place of domicile of the proposed candidate. There is also no obligation to publish proposals for the election of Supervisory Board members if the proposal does not include any details of their membership in any other mandatory supervisory boards.

Please note that counterproposals and proposals for candidates, even if they have been submitted in due time to the Company, will only be dealt with at the Annual General Meeting if they are presented or submitted verbally at the Meeting. This shall not affect any shareholder's right to submit counterproposals or election proposals with regard to any item on the Agenda during the Annual General Meeting.

Right to obtain information pursuant to § 131 Para. 1 German Stock Corporation Act (AktG)

§ 131 Para. 1 AktG requires the Management Board to provide every shareholder with information on matters pertaining to the Company, upon request, provided such information is necessary for making a reasonable assessment of an Agenda item. This obligation to provide information also applies to the Company's legal and commercial relationships to affiliated companies, as well as to the situation of the Group and the companies included in the consolidated financial statements, because the Annual General Meeting is also presented with the consolidated financial statements and the Group management report as part of Item 1 on the Agenda.

The Management Board may refuse to answer individual questions for reasons specified in § 131 Para. 3 AktG, for instance because, based on prudent business judgment, providing the information could cause significant negative consequences for the Company or for an affiliated company. Pursuant to § 24 Para. 2 of the Articles of Association, the chairperson of the General Meeting may set appropriate limits in regard to shareholders' rights to ask questions and speak. In particular, the chairperson of the General Meeting may reasonably determine at the start or during the General Meeting the amount of time to be made available for the whole of the General Meeting, the time available to discuss each of the Agenda items, and/or the time available to raise and express individual questions and opinions.

Additional explanations and information available on the Company website

As from the time the Annual General Meeting has been summoned, information pursuant to § 124a AktG will be made available to shareholders on the Company's website

www.lpkf.com/investor-relations/annual-general-meeting/index.htm.

Additional information regarding the rights of shareholders pursuant to § 122 Para. 2, § 126 Para. 1, § 127, § 131 Para. 1 AktG is also published at

www.lpkf.com/investor-relations/annual-general-meeting/index.htm.

Garbsen, Germany, April 2016

LPKF Laser & Electronics Aktiengesellschaft

The Management Board